

## Ex-C.I.A. Official Tells of Bid to Aid Pipeline

By LESLIE MAITLAND WERNER  
Special to The New York Times

WASHINGTON, Aug. 15 — Adm. Bobby R. Inman, former deputy director of the Central Intelligence Agency, said today that he was asked almost two years ago to help win "United States Government support and approval" for building an oil pipeline across Africa.

The question of whether Government approval was required for the pipeline venture of Basil A. Tsakos, a Greek entrepreneur, has become important since the disclosure that the wife of Senator Mark O. Hatfield received \$55,000 from Mr. Tsakos while the

Senator was helping to promote the venture.

"They wanted me to give them advice to guide it through and to get approval and support from the U.S. Government," Admiral Inman said in a telephone interview. He said he had been told that "U.S. Government support was a high priority for them."

"The question was would I become a consultant," he said. "I was told they'd reward me handsomely." He said he turned down the offer.

### Two Inquiries Under Way

Both Senator Hatfield, an Oregon Republican, and Mr. Tsakos have denied any connection between the payments to the Senator's wife, Antoinette, and the Senator's support for the project. But the Justice Department and the Senate Select Committee on Ethics are examining whether any connection may have existed. Under the United States Criminal Code, it is a violation of bribery laws for a public official to accept a benefit in return for performing an official act.

Admiral Inman, who left the C.I.A. in July 1982, said he was approached in early September by Robert H. Ferneau, an officer of Mr. Tsakos's Trans-African Pipeline Corporation, or Tapco. Admiral Inman said he had known Mr. Ferneau when Mr. Ferneau served as Deputy Under Secretary of the Navy in the Ford Administration.

The admiral, now chairman and president of the Microelectronics and Computer Technology Corporation, said he understood that Washington's approval of the project would have been beneficial for several reasons: to gain diplomatic assistance for winning African support for the venture, to gain waivers of American export controls governing the shipment of equipment and machinery overseas and potentially to assist with financing, possibly through the Export-Import Bank.

Mr. Ferneau could not be reached for comment today. But according to the minutes of a Tapco board meeting held Aug. 31, 1982, obtained as part of a court record in a civil suit, Mr. Tsakos was interested in enlisting the help of

Admiral Inman. The minutes show that Mr. Tsakos "commented that the presence of Admiral Inman could be very beneficial to the company, to which the other directors agreed."

### Meeting With Exxon Executive

In a deposition of Mr. Tsakos taken in the civil suit last year, Mr. Tsakos said he was looking for someone in the United States who had contacts with the Government to advance the project.

He also said he was interested in having an American corporation take over the operation, maintenance and security of the pipeline, which was why he met with Howard Kauffmann, president of the Exxon Corporation.

Senator Hatfield has said he arranged that meeting for Mr. Tsakos.

In a related development today, Gerry Frank, an aide to Senator Hatfield, said Mrs. Hatfield had obtained a \$55,000 loan from the Pioneer Trust Company in Salem, Ore., to donate that sum to charity. The Hatfields said Monday that Mrs. Hatfield had rightfully earned the \$55,000 she received from Mr. Tsakos, but that she was donating it to a hospital.

Justice Department officials said today that the inquiry being conducted by the Federal Bureau of Investigation would not be affected by Mrs. Hatfield's decision to give the money to charity. Agents have started questioning former associates of Mr. Tsakos.

ON PAGE C-1  
**CORD MEYER**

WASHINGTON TIMES  
10 August 1984

# Sen. Baker to the rescue

## Congressional oversight of intelligence full of leaks

Rising above partisanship in this election year, Howard H. Baker Jr., the retiring Senate majority leader, dared last week to tell his surprised colleagues that the emperor wears no clothes.

For the first time, a responsible leader of the Congress has admitted publicly that the elaborate machinery designed to ensure congressional oversight of American intelligence operations is not working.

Established in the wake of Watergate as watchdogs of the public interest, the separate Senate and House Intelligence Committees were supposed to prevent any abuse of secret power by the CIA or other intelligence agencies. Initially,

both committees acted in a bipartisan way to fulfill their essential oversight functions.

But, testifying before a committee on Senate reorganization, Sen. Baker now has said out loud what many think. Warning that "We have a real problem on our hands with the intelligence committees," the Senate leader charges the two committees have become so overstuffed and so insecure that they ought to be abolished and replaced by a single joint committee modeled on the old Joint Committee on Atomic Energy.

There is a strong case for this kind of radical surgery to make congressional oversight responsible. In the last two years, the growing partisan divisions over U.S. policy toward Central America have so polarized the intelligence committees that a series of destructive leaks to the press

appear to have come from within their ranks.

The damage done to U.S. interests and allies by these unauthorized revelations is hard to measure, but it is very substantial. The Pakistan government, for example, has been subjected to harsh pressure from the Soviets as the result of a congressional leak regarding

increased American aid to the Afghan guerrillas. Then there is the hidden damage that accumulates from the hardening resolve of friends and allies not to give the U.S. access to secrets they hope to protect.

Mr. Baker only politely hints at the extent of the problem when he refers in his testimony to "leaks and press accounts of matters that are sensitive enough to warrant greater discretion." A White House official put it more directly when he described the briefing of the committees on sensitive matters as "a theater of the absurd." A top intelligence officer bitterly remarked, "Every time we go up to the Hill there are leaks. We are running a government of anarchy."

There is no single sovereign cure for this compromise of intelligence secrets in the corridors of the Capitol, but Mr. Baker's proposed solution comes as close as possible to reconciling the need for congressional oversight with the necessity for better security. Former intelligence chiefs Richard Helms, James Schlesinger, and Bobby Inman all agree that a stripped-down joint committee with a much-reduced staff provides the only practical way of rebuilding disciplined, bipartisan oversight.

The first obvious advantage of a single joint committee is that it improves security by cutting drastically the combined membership of senators and representatives and the total number of staffers. In fact, Mr. Baker calls for only eight members at most but insists they be chosen from the ablest people in both parties and be required to give overriding priority to their work on the joint committee.

Intelligence professionals are pleased with the prospect of being able to deal with a single disci-

plined committee instead of having to give repetitive testimony to two groups and they look forward to having a single responsible focal point to deal with in times of crisis. Moreover, once assured of the security of the new arrangements, the intelligence chiefs will be able to be more forthcoming in their briefings, rather than being inhibited by constant fear of leaks, as they are now.

However desirable and necessary this reform in the structure of congressional oversight may be, it is not going to be easy to accomplish. The existing organization has a bureaucratic momentum of its own, and staffers will not welcome a merger that will cost many of them their jobs.

But Rep. Henry J. Hyde, R-Ill., who serves on the House Foreign Affairs Committee, has taken the lead in drafting detailed legislation to follow up on Mr. Baker's proposal, in the hope of building enough support to ensure favorable action when the new Congress convenes next January. Already two Democrats on the Senate Intelligence Committee, Joseph Biden, D-Del., and Sam Nunn, D-Ga., have indicated a favorable interest, and a reluctant House Democratic leadership may be willing to go along after the election.

The time has come for a single joint committee on intelligence because there seems to be no better way of reconciling security with accountability in a dangerous world.

*Cord Meyer is a nationally syndicated columnist.*

# Technology Diversion

## Fred Asselin

Until November of 1983, the Microelectronics Research Institute in Capetown, South Africa seemed to be a legitimate high technology enterprise. It had a respected academician in a senior position and claimed to be adhering to United States restrictions on the applications of militarily useful computers it purchased in the U.S. Most important, MRI had been given a stamp of approval by U.S. consulate officers in Capetown. They had visited the Institute and concluded that it was everything it purported to be.<sup>1</sup>

But appearances were deliberately misleading. In fact, MRI was secretly owned by a 41-year-old Soviet KGB operative named Richard Mueller. A West German and since 1979 a fugitive from American justice, Mueller had MRI arrange for the purchase in the United States of a \$1.5 million Vax 11/782 high speed computer from the Digital Equipment Company. After receipt of the computer and special production machinery used in the design and manufacture of militarily critical semiconductors, Mueller had the cargo shipped from Capetown to Moscow. However, last November, while the freight was still at sea, U.S. authorities learned of Mueller's plan and were able to intercept the cargo at transshipment points in Western Europe.

Mueller, a wealthy man who had mansions in Capetown and Hamburg, disappeared, leaving behind his pretty blonde German wife Sieglinde, his Porsche, Mercedes Benz 500, two Rolls Royces, a 120-meter swimming pool, tennis court and Steinway piano and a stable of 100 East Prussian horses. Sieglinde Mueller told reporters she didn't know where her husband was. He was reportedly last seen in Vienna.<sup>2</sup>

Disrupting Mueller's technology diversion scheme was seen as a big achievement by American authorities. Treasury Secretary Donald Regan, whose Customs Service agents had played a key role in interdicting

the shipment, said the Vax 11/782 was "one of this nation's most sensitive computer systems." News reports stressed the importance of the Vax 11/782. *Newsweek* magazine said the computer was intended to serve in the design and production of Soviet weapons of the 1990s. The *Wall Street Journal* said the Vax 11/782 has wide military applications, ranging from the design of powerful integrated circuits to interpretation of transmissions from U.S. satellites.<sup>3</sup> An American official was quoted as having said the Vax 11/782 and peripherals would have given the Soviets valuable insight into U.S. strategic weapons. "... the Russians would have had a complete computer system for American guided missile systems," the official said.<sup>4</sup> Unquestionably, the Soviets had considerable faith in Mueller to have entrusted to him the acquisition of such an important computer.

Richard Mueller is one of the leading figures in an international team of technician-businessmen whose mission for the Kremlin is to acquire militarily useful high technology in the U.S. and ship it to the Soviet Union. Other known members of the team are Werner J. Bruchhausen, Volker Nast, Dietmar Ulrichshofer, Frederick Linnhoff, Anatoli (Tony Metz) Maluta, Sabina Dorn Tittel and Dr. Rudolf Sacher. Tittel is in a federal prison in California convicted of export violations. Found guilty in the same case, Maluta is free on appeal. But Mueller and the others are free men, living and working outside the United States and doing technology acquisition duties for the Soviets.

Mueller and the others may have ideological commitments to Soviet Communism that motivate them to do the effective labor they perform for the Kremlin. But money seems to be the major draw. Each of them has profited handsomely from these assignments. Mueller lived very well. Similarly, Maluta, smuggling controlled technology out of Southern California for the Soviets,

Continued